



GOVERNMENT OF ANHDRA PRADESH  
ABSTRACT

I&I Department – Development of VANPIC Ports Project - Shipyard at Vadarevu Port- Amendment to Concession Agreement – Orders – Issued.

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INFRASTRUCTURE & INVESTMENT (PORTS-I) DEPARTMENT

GO Ms No. 4

Dated 20-01-2009.  
READ the Following

1. Concession Agreement for VANPIC Port Project signed between GoAP and VANPIC Ports Pvt. Ltd. dated 11-07-2008.
2. From CEO, M/s VANPIC Ports Pvt. Ltd. Letter No. VANPIC/GoAP-25 dated 17.11.2008.

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ORDER:

Government have signed a Concession Agreement with VANPIC Ports Private Limited on 11-7-2008 for the development of Vadarevu and Nizampatnam Ports in Prakasam and Guntur Districts.

2. M/s VANPIC Ports Private Limited in their representation second read above, while stating that development of Ship Building and Ship Repair facilities is covered as part of VANPIC Project in terms of the MoU, have submitted that they are proposing for a Ship Yard at Vadarevu as the location is well within the project site and that the proposed port at Vadarevu can optimally provide the necessary infrastructure, such as Breakwaters, Dredged channels, Port Craft etc. for Shipyard Project. They have further stated that this would be an integrated project consisting of port and shipyard, more often than not the shipyard is usually developed inside the tranquil harbour protected with breakwaters that will be provided as part of port development and hence, the shipyard forms an integral part of port which consists of state of art ship building facility and also taking care of repair of on-shore and off-shore rigs and ships and therefore, requested the Government for according permission for development of Shipyard Project (Ship Repair & Ship Building Facilities) at Vadarevu Port by M/s VANPIC Shipyard Private Limited an SPV formed for construction of Shipyard, duly allotting an extent of 700 acres in addition to 2,000 acres allotted for Vadarevu Port development on long lease basis. M/s VANPIC Ports Pvt. Ltd. have also requested for necessary amendment to the Clause 1.47 of the Concession Agreement.

3. In terms of the Clause 3.20 of the Concession Agreement, the Concessionaire (M/s VANPIC Ports Pvt. Ltd.) may license any portion of the Port for effectively implementing the objectives of this Agreement, with prior approval of GoAP provided that the license ends within the End Date and hence M/s VANPIC Ports Pvt Ltd (the Concessionaire) is authorized to grant Sub-Concession to the VANPIC Shipyard Pvt.Ltd. (the Sub-Concessionaire).

Contd. 2.

4. In the Clause 1.47 of the Concession Agreement, the project is defined as “The ‘Project’ is limited to areas inside defined Port boundaries and includes but is not limited to, the construction, provision of facilities such as navigation channels, harbour basins, breakwaters, aids to navigation, docks, berths, storage (both, covered and open), internal roads, rails, conveyor systems, cargo handling facilities and systems, utilities such as water supply, power supply, bunkering facilities, sewage system etc., communication facilities, ship repair facilities and all other engineering structural facilities etc. and its associated infrastructure facilities, for the development of the Ports at Vadarevu and Nizampatnam respectively, Andhra Pradesh”.

5. In the MoU signed with RaK on 11-3-2008, the intention of the Government is to develop an integrated Vadarevu and Nizampatnam Ports and Port based industries consisting of a Port for handling Bulk Cargo, a Liquid Cargo terminal, Ship building Industry requirements, container terminal etc. and port related Industrial Corridor, collectively referred to as “VANPIC Project”.

6. After careful examination of the matter, the Government hereby order amendment to Concession Agreement, dated 11-7-2008 signed with VANPIC Ports Private Limited to the following extent:-

1. Accord approval for the amendment of Clause 1.47 of the said Concession Agreement by incorporating the component “Ship Building” thereby replacing “Ship Repair Facilities” by “Ship Building and Ship Repair Facilities”.
2. Permit M/s VANPIC Ports Private Limited to grant sub-concession to VANPIC Shipyard Private Limited for development of Shipyard (both Ship Building and Ship Repair) at Vadarevu Port as an integrated Port-cum-Shipyard Project.
3. Provide an extent of 700 acres on long lease basis, for the development of Shipyard at Vadarevu Port, in addition to 2000 acres meant for Vadarevu Port from out of the total lands being procured for VANPIC Project.

7. This order issues with the concurrence of Finance Dept. vide their U.O.No. 000173/3/A2/Expr.PWD/09, dated 03-01-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MANMOHAN SINGH  
SECRETARY TO GOVERNMENT

To  
M/s VANPIC Ports Pvt. Ltd., Hyderabad.  
The Director of Ports, Kakinada.  
The Prl.Accountant General(Audit-I),A.P.,Hyderabad.  
The Director of Treasuries and Accounts, A.P.Hyderabad.

Copy to:

The Secretary, Ministry of Shipping, Road Transport & Highways,  
Department of Shipping, Transport Bhawan, 1, Parliament Street, New Delhi –  
110 001.

The Finance (Exp.PW) Dept./The Law Department,  
The G.A.(Cabinet) Department.

Sf/Sc

// forwarded by order //

SECTION OFFICER